



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

October 25, 2013

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Don Knabe
Supervisor Michael D. Antonovich
Supervisor Zev Yaroslavsky

From: William T Fujioka
Chief Executive Officer

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FINAL REPORT ON ACTIONS TAKEN IN RESPONSE TO COMPLAINTS REGARDING MATERNITY HOTELS (ITEM NO. 4, AGENDA OF FEBRUARY 5, 2013)

On February 5, 2013, the Board directed the Chief Executive Officer (CEO) to initiate multi-agency inspections to address complaints regarding alleged Maternity Hotel operations. Per the Board order, quarterly reports were submitted to the Board on April 9 and July 16, 2013.

This final Board report addresses the following:

1. CEO's ongoing facilitation and outcomes of the multi-agency inspections with the Departments of Regional Planning (DRP), Public Works (DPW), Public Health (DPH), Children and Family Services (DCFS), Public Social Services (DPSS), Fire, Sheriff, Registrar-Recorder/County Clerk, District Attorney (DA), Franchise Tax Board, Employment Development Department (EDD), and any other County Departments, as necessary.
2. County Counsel and the Director of Planning report on a draft proposed ordinance for consideration by the Board, and recommendations to the Regional Planning Commission to appropriately regulate Maternity Hotels through zoning regulations.

Background

On February 5, 2013, the Board approved the Director of Regional Planning's recommendations for continued investigation of public complaints regarding Postpartum Recovery Homes known as "Maternity Hotels". The Board also directed the CEO to facilitate multi-agency inspections and provide quarterly reports on the status of the investigations. In follow-up to the Board's request to ensure that resources were available to assist multi-agency inspectors with translators, the CEO reported that a Mandarin-speaking District Attorney Investigator (DAI) was assigned to accompany the team on all investigations. This enhanced communication between tenants and the multi-agency team.

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Multi-Agency Inspections

The County multi-agency team, coordinated by the CEO and led by DRP, includes DPW, DPH, Fire, DAIs, Treasurer and Tax Collector (TTC) and DCFS. As the lead department for coordinating site visits, DRP has maintained a centralized log for each complaint that includes each department's inspection status and updates. DAI's accompanied the multi-agency team on all investigations, and one of the DAI's served as a Mandarin/Cantonese translator to communicate with occupants.

As of September 24, 2013, DRP has received complaints for 97 alleged Maternity Hotel operations. DRP attempted 94 inspections, and was able to obtain consent and gain access to complete 84 inspections. Twenty-eight locations, or 33 percent of the 84 locations inspected by DRP were confirmed as Maternity Hotels, and were cited for operating a boarding house in violation of Title 22 of the Los Angeles County Code (Planning and Zoning). Ninety of the 94 locations, where DRP attempted an inspection, are single-family residences located in single-family residential zones (including R-1, R-A, RPD, and A-1 zones).

The multi-agency team has closed 18, or approximately 64 percent of the 28 identified Maternity Hotel cases. The team will continue to investigate all outstanding cases and complaints. Attachment I includes a status of the overall case inspections. Attachment II provides detailed County departmental and outside agency reports related to the Board motion.

Draft Ordinance

DRP, with advice from County Counsel, conducted background research to determine if an amendment to Title 22 would enhance regulation and expand DRP's authority in addressing Maternity Hotels. Presently, the County Zoning Ordinance (Title 22 of the Los Angeles County Code) does not allow boarding houses to operate in a single-family residential zone where nearly all confirmed Maternity Hotels have been located. Because Maternity Hotels currently fall under the definition of boarding houses, DRP currently has the authority to issue notices of violation where Maternity Hotels are operating illegally in single-family residential areas. In terms of apartment complexes, they may be located in various types of zones, and the zoning requirements for any future complaints will be individually researched and inspected by DRP to determine if a zoning violation exists.

Other issues related to Maternity Hotels, including immigration, tax fraud, medical care, health, fire safety, building safety, etc., are within the regulating authority of, and have been referred to, other appropriate agencies. Some of these agencies are participants of the County's multi-agency team; others such as State and federal agencies, received referrals.

After evaluating the information from the outcomes of its inspections of alleged Maternity Hotel operations, DRP believes that a new zoning ordinance provision is unnecessary for three reasons: 1) nearly all of the suspected Maternity Hotels are located within single-family residential zones; 2) Maternity Hotels are already prohibited from operating in single-family residential zones under the existing boarding house provisions of Title 22; and 3) Title 22 regulates land use only, and the authority to regulate the other aspects of

Maternity Hotels is under the purview of other agencies, including those at the State and federal levels. In addition, amendments to Title 22 to further regulate Maternity Hotels could have the unintended effect of restricting or impacting other land uses, such as lawfully operating hotels, apartment buildings, boarding houses, and other shared living arrangements. Based on these factors, DRP proposes that no amendments be made to Title 22. DRP will continue to investigate complaints regarding Maternity Hotels utilizing their existing authority under Title 22, and will continue to initiate future inspections in conjunction with the County multi-agency team. Complaints beyond the scope of local zoning powers and the County's multi-agency team will continue to be referred to the appropriate State and federal agencies.

Conclusion

Based on the fact that the multi-agency team has been able to address Maternity Hotel issues under the County's authority, this will be the final CEO quarterly report. However, the County's multi-agency team will continue to address any remaining open cases, reconvene upon the receipt of any future complaints, and refer complaints to the appropriate State and federal agencies. The CEO is available to provide future case status updates upon the Board's request.

If you have any questions, please contact Rita Robinson at (213) 893-2477, or via email at rrobinson@ceo.lacounty.gov.

WTF:RLR
DSP:TH:acn

Attachments (2)

c: Executive Office, Board of Supervisors
County Counsel
Children and Family Services
District Attorney
Fire
Public Health
Public Social Services
Public Works
Regional Planning
Registrar-Recorder/County Clerk
Sheriff
Treasurer and Tax Collector
Federal Franchise Tax Board, Criminal Investigation Bureau
State Employment Development Department, Tax Branch Field Audit
and Compliance Division

MATERNITY HOTEL ACTIVE CASE STATUS

Unincorporated Community	Second Quarterly Report (July 16, 2013) (Based on inspections as of June 17, 2013)						Final Report (October 25, 2013) (Based on inspections as of September 9, 2013)					
	Maternity Hotel Confirmed	Maternity Hotel Cases Pending	Maternity Hotel Cases Closed	No Access onto Property	Maternity Hotel Confirmed	Maternity Hotel Cases Pending	Maternity Hotel Cases Closed	No Access onto Property	Maternity Hotel Confirmed	Maternity Hotel Cases Pending	Maternity Hotel Cases Closed	Total Active Cases
Rowland Heights	18	15	3	11	22	3	13	9				9
Hacienda Heights	6	3	3	0	6	0	5	0				1
East Pasadena/ East San Gabriel	0	0	0	0	0	0	0	0				0
South San Jose Hills/ Valinda	0	0	0	1	0	0	0	1				0
Total	24	18	6	12	28	3	18	10				10

o Maternity Hotel Confirmed: Number of locations inspected and a Maternity Hotel operation was confirmed.

o Maternity Hotel Cases Pending: Number of locations scheduled for inspection, but departments have not visited.

o Maternity Hotel Cases Closed: Number of locations that were confirmed Maternity Hotel operations and ceased operating and/or addressed code enforcement violations.

o No Access onto Property: Number of locations where inspections were attempted and either access was denied or no one answered the door.

o Total Active Cases: Number of locations where inspections were conducted, a Maternity Hotel was confirmed as operating, and code violations are outstanding.

COUNTY DEPARTMENT REPORTS ON MATERNITY HOTELS

Specific findings reported by participating County departments and other agencies are summarized as follows:

County Multi-Agency Code Enforcement Inspection Team

Department of Regional Planning (DRP)

DRP has received complaints regarding 97 locations of alleged Maternity Hotels operating within the County unincorporated areas. To date, DRP has attempted to inspect 94 properties, and has gained access to 84 properties.

As there is no land use classification specific to Maternity Hotels, DRP classifies this use as a boarding house, which is defined as a single-family residence wherein rooms are rented to five or more individuals. Ninety of the 94 locations inspected are single family residences located in single family residential zones (including R-1, R-A, RPD and A-1 zones) where boarding houses are prohibited. The remaining four complaint locations are located in zones that allow boarding houses (i.e., hotels, apartments).

DRP investigations identified 28 locations operating as Maternity Hotels in violation of the boarding house prohibition set forth in Title 22. Eighteen of these confirmed Maternity Hotel locations have ceased operations and those cases have been closed. Ten have continued to operate and enforcement will continue at these properties. There are three new complaints that are scheduled to be investigated, and ten locations where DRP has not gained access. DRP has closed a total of 74 enforcement cases including 18 Maternity Hotels, and 56 non-Maternity Hotel locations. DRP has referred any other code violations not related to Maternity Hotels, such as garage conversions or unpermitted second units to the zoning and building and safety inspectors assigned to the area for follow-up. DRP has not received any further complaints involving the Pheasant Ridge apartment complex located in Rowland Heights, which had been the focus of media attention and subject of previous complaints.

DRP will continue to initiate the multi-agency team investigations for open cases and new cases, and continue to refer complaints to the appropriate State and federal agencies.

Department of Public Works (DPW)

DPW began conducting inspections with the multi-agency team in January 2013. The most recent inspections were conducted with the multi-agency team during September 2013. DPW inspections were conducted in response to 97 Maternity Hotel complaints, resulting in 28 confirmed Maternity Hotels. Of these locations, 18 have since ceased operation and have complied with all Notices of Violation (NOVs) issued by DPW. The owners of the remaining 10 active open cases of confirmed Maternity Hotels were issued NOVs by DPW, and follow up inspections will continue to be scheduled until these cases are closed.

Although many of the inspections did not reveal that residences were being used as Maternity Hotels, NOV's were issued when code violations were discovered. DPW issued NOV's for unpermitted additions or alterations such as unpermitted electrical, plumbing, and mechanical work. These non-Maternity Hotel cases, solely involving building code violations, have been addressed independently by DPW. In general, the property owners have been cooperative.

DPW will continue to follow-up on scheduled inspections conducted by the multi-agency team until the Maternity Hotel cases are closed, as well as for sites where there was no access.

Department of Public Health (DPH)

DPH-Environmental Health (DPH-EH) inspectors attempted 94 investigations of alleged Maternity Hotel locations with the multi-agency team. During DPH's inspections, particular attention was paid to issues which may pose a threat to the public's health and safety such as: sanitation, sewage, refuse, illegal food service, and vermin. DPH was granted access to 82 properties, which resulted in the overall issuance of 33 NOV's. Of these NOV's, 27 were related to Maternity Hotels. Whenever a code violation was identified, DPH-EH issued a NOV to the property owner and when applicable, to the master lessee requesting that all violations be abated.

Per Los Angeles County Code (Title 11, Health and Safety Code), DPH-EH defines a boarding home as five or more unrelated occupants where sleeping or rooming accommodations are provided. Confirmed Maternity Hotel properties inspected by DPH were cited as operating a boarding home without a valid Public Health License.

To date, all non-Maternity Hotel violations have been abated, and 13 of the Maternity Hotel cases inspected by DPH-EH have been closed. The remaining 10 active cases will be re-inspected, and office hearings will be scheduled as part of the due process for those properties that remain out of compliance. DPH-EH will continue to participate with the multi-agency team until all of the remaining open cases, and any future complaints received are inspected and closed.

Fire Department

Although the Fire Department's role is limited, Fire Inspector's from the Schools and Institutions Unit have been present with the multi-agency team on scheduled inspections that included the 28 confirmed Maternity Hotels. Routine inspections are not required within the Fire Code for single-family dwellings, except for new construction, which requires the installation of sprinklers and hard-wired smoke detection systems. If the operation was a licensed Group Home or Adult Residential facility, based on the State of California Fire Marshal's Office requirements, the Fire Department would require additional safety measures.

The Fire Department has cited a few of the properties inspected for over grown vegetation in Fire Zones that require clearance. Fire Department Inspectors will continue to attend and perform inspections with the multi-agency team until all properties have been investigated and/or re-inspected and closed. The Fire Department used the opportunity to inform the tenants and/or responsible party of the importance of fire and life safety issues and what actions they can take to improve the safety conditions within these homes until these cases are closed.

Treasurer and Tax Collector (TTC)

The Business and Public Health License Section of TTC is responsible for the issuance of business licenses for businesses operating within the unincorporated areas of the County. As part of the multi-agency team, TTC was a participant in the inspections of alleged Maternity Hotels.

TTC identified 28 locations as confirmed Maternity Hotels operating as boarding houses without a Business License. Under Title 7, Section 7.50.010 of the Los Angeles County Code, a boarding home is defined as sleeping and living accommodations for five or more persons unrelated to the operator. The owners/occupants of the 28 properties illegally operating without a Business License were issued NOV's and advised to cease operations until they met the zoning requirements and obtained a Business License.

As of September 30, 2013, TTC did not receive any business license applications as a result of the NOV's. Upon re-inspection, TTC has closed cases for 17 confirmed Maternity Hotel locations. The Department will continue to participate with the multi-agency team until the locations have been re-inspected and the cases are closed.

District Attorney (DA)

The DA-Bureau of Investigations Division assigned two District Attorney Investigators (DAIs) to participate in the multi-agency team investigations. One of the DAIs is a certified bilingual (Chinese) speaker, who speaks both Mandarin and Cantonese dialects fluently. The DAIs are dressed in plainclothes, which has proven more successful in gaining the cooperation of the occupants of suspected locations. Accompanied with a Planning Inspector, the DAI makes the initial contact with the owner and/or tenants of the residence, often gaining cooperation due to their language skills.

DAIs are capable of handling law enforcement related duties, which free up local law enforcement resources. DAIs have participated in the inspection of 94 locations, and had contact with 93 Chinese speakers during initial inspections and re-inspections. Criminal activities were not observed during these inspections. There are no cases that warrant filing through the DA's Office at this time. The DAIs will be available to participate in inspections for the duration of these investigations and any future ongoing multi-agency team activities.

Other County Department Inspections and Reports

Department of Children and Family Services (DCFS)

During this quarter, DCFS continued to participate in the multi-agency team by assigning a caseworker from the DCFS Multi-Agency Response Team (MART) to the scheduled inspections. All available resources were used in support of this initiative including access to the Asian Pacific Islander Unit (APIU) multi-lingual Children Social Workers (CSWs) to provide translation as needed.

Due to the decrease in the number of complaints received during this reporting period as compared to the previous quarter, MART participated in three planned operations and did not identify any reportable child endangerment factors, and no new referrals were generated.

The only significant MART activity while accompanying the team occurred during the August 20, 2013 investigation. A home that was operating as a boarding house, but not classified as a Maternity Hotel, was cited for zoning violations. A four year old female was in the home, but no child endangerment or hazards were noted, and the child appeared healthy and well-cared for by her caregivers. A review of the DCFS Child Welfare Services/Case Management System (CWS/CMS) revealed no history or contact with DCFS. Therefore, no referral was generated. DCFS will continue to accompany the team and provide requested resources during the course of this initiative.

Department of Public Social Services (DPSS)

DPSS researched the 10 addresses of the remaining open cases that were confirmed as operating Maternity Hotels to determine if any benefits issued by DPSS were obtained illegally. DPSS determined that there were Medi-Cal recipients residing at three of the Maternity Hotel addresses. Based on eligibility criteria which examines household composition, income limits, immigration status, case comments and California residency, an assessment indicated that all aided individuals were found eligible to receive their assigned benefits, and there was no clear evidence of fraud. Previous to this report,

DPSS researched all of the overall confirmed Maternity Hotel cases. DPSS will continue to research future addresses reported by DRP as confirmed Maternity Hotels to determine if eligibility requirements have been followed by the occupants.

Sheriff's Department

The Sheriff's Department received one call for service through the Crime Stoppers Tip Hotline reporting a burglary at a location that had been previously identified as a Maternity Hotel, but the case had been closed. The incident was investigated at the station level as part of a tax/fraud investigation unrelated to Maternity Hotel issues and no Maternity Hotel activity was observed. Other than this call, the Sheriff's Department did not receive any calls for service related to Maternity Hotels, nor did the Sheriff's Department assist with

any other investigations. As previously reported, it has been more effective to utilize non-uniformed DAI's as the law enforcement presence on multi-agency inspections. This allows for Sheriff's Department resources to be utilized elsewhere. The Sheriff's Department is available to provide support and respond when needed.

Registrar-Recorder/County Clerk (RR/CC)

RR/CC has reviewed the issues surrounding Maternity Hotels and determined that there is not a direct role with the on-site investigations or fraud involving the processing and application of birth certificates of newborns or applications for a Fictitious Business Name.

Referrals to Other Agencies

Per the instructions within the motion, DRP has shared locations of confirmed Maternity Hotels and other relevant details, with other agencies such as the Criminal Investigation Bureau of the State Franchise Tax Board, the Tax Branch Field Audit and Compliance Division of the State Employment Development Department, the Identify Theft and Economic Crime Task Force Branch of the Federal Internal Revenue Service, and the Federal Bureau of Investigation. All of the above mentioned agencies report that due to the confidential nature of their reports, they are unable to disclose the status of their investigations. DRP will continue to share information with these agencies as it is obtained.